

Supporting Statement for
FERC Form No. 6-Q, Quarterly Financial Report of Oil Pipeline Companies

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC Form No. 6-Q, Quarterly Financial Report of Oil Pipeline Companies** (OMB Control No. 1902-0206), for a three-year period. FERC Form No. 6-Q is an existing data collection with reporting requirement in 18 Code of Federal Regulations (CFR) Section 357.4.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Interstate Commerce Act (ICA) authorizes the Commission to make investigations, collect, and record data in order to carry out certain necessary and useful provisions. The information collected from oil pipeline companies under the requirements of the FERC Form No. 6-Q provide the Commission the ability to implement the statutory provisions of the ICA including the authority to prescribe rules, regulations concerning accounts, records, memoranda as necessary. The ICA also allows the Commission to prescribe a system of accounts for jurisdictional companies and (after notice) an opportunity for hearing can determine the accounts in which particular outlays and receipts can be entered, charged, or credited.

The financial accounting and reporting provides needed information concerning a FERC Form No. 6-Q company's past performance and its future prospects. Without reliable financial statements (prepared in accordance with the Commission's Uniform Systems of Accounts), the Commission would be unable to accurately determine the costs that related to a particular time period, service, or line of business. Additionally, it would be more difficult for the Commission to determine if a certain entity was previously provided the opportunity to recover its costs via rates or to compare how the financial performance of one regulated entity relates to another.

The FERC Form No. 6-Q assists the Commission in overseeing and policing the regulated oil pipeline markets to assist in enforcing the ICA.

2. HOW, BY WHOM AND FOR WHAT PURPOSE IS THE INFORMATION USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION

The Commission's Office of Enforcement (OE) uses the FERC Form No. 6-Q data to assist in the implementation of its financial audits and programs for the continuous review of the financial condition of regulated companies and assessment of energy markets. The Commission's Office of Energy Markets Regulation (OEMR) uses the data collected for various rate proceedings and economic analyses. The Commission's Office of Administrative Litigation (OAL) uses the data collected for background research for use in litigation. The Commission's Office of General Counsel (OGC) uses the data in its programs relating to the administration of the ICA.

Additionally, many state regulatory commissions use the FERC Form No. 6-Q and the Uniform System of Accounts to satisfy their reporting requirements for companies under their

jurisdiction.

3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN AND THE TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN

FERC has attempted to facilitate the filing process by providing materials to assist every potential pipeline carrier's response to this collection. FERC Form No. 6-Q and related helpful materials can be found on the FERC website here:

<http://www.ferc.gov/docs-filing/forms.asp#6Q>.

The Commission observes that electronic submission of FERC Form No. 6-Q filings yields significant benefits including more timely analysis and publication of data, increased data analysis capability, reduced cost of data entry and retrieval, simplification of the form design, and overall reduction of the reporting burden.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION NO. 2.

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its regulatory responsibilities under the Act in an effort to alleviate duplication. All Commission information collections are subject to analysis by Commission staff and are examined for redundancy. There is no other source of this information.

5. METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES

Only companies (whose annual jurisdictional operating revenues have been \$500,000 or more for each of the three previous calendar years) that file the full FERC Form No. 6 are required to file the FERC Form No. 6-Q. Consequently, companies with annual jurisdiction operating revenues below \$500,000 are excluded from filing the FERC Form No. 6-Q.

6. CONSEQUENCE TO FEDERAL PROGRAM IF COLLECTION WERE CONDUCTED LESS FREQUENTLY

The Commission is authorized by statute to collect this information on an annual¹ and quarterly basis. If the collection were conducted less frequently, the Commission would be unable to perform its mandated review responsibilities with respect to the assessment of the financial conditions of oil pipeline companies. The continued use of the FERC Form No. 6-Q ensures that the Commission has the financial, operational, and ratemaking information needed to carry out its regulatory responsibilities to monitor the oil pipeline industry.

¹ The annual collection is through the FERC Form No. 6 (OMB Control No. 1902-0022) and is not addressed here. The FERC Form No. 6-Q collects the quarterly data for the three other quarters.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

FERC Form No. 6-Q meets OMB's Section 1320.5 requirements.

8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY: SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE TO THESE COMMENTS

In accordance with OMB requirements, the Commission published a 60-day notice² and a 30-day notice³ to the public regarding this information collection on 4/4/2016 and 6/14/2016, respectively. Within the public notice, the Commission noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. The Commission received no comments.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents in the requirements contained in this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC Form No. 6-Q filings to be confidential. However, the filer may request privileged treatment of a filing that may contain information harmful to the competitive posture of the applicant if released to the general public.⁴

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE

There are no questions of a sensitive nature associated with the reporting requirements.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

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Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response ⁵ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)

2 81 FR 19166

3 81 FR 38696

4 18 CFR 388.112

5 The estimates for cost per response are derived using the 2015 FERC average salary plus benefits of \$149,489/year

175	3	525	150	78,750	\$32,400
			\$10,800	\$5,670,000	

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor start-up costs. All costs are related to burden hours and are addressed in Questions #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings ⁶	0.5	\$74,745
PRA ⁷ Administrative Cost ⁸		\$5,193
FERC Total		\$79,938

The Commission bases its estimate of the “Analysis and Processing of Filings” cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE

The reason for the change in reporting burden is due to the increase in the number of filers completing the FERC Form No. 6-Q. The number of filers is constantly in flux because there are new market entrants and those leaving the market or consolidation of market participants. The number of FERC Form No. 6-Q filers increased from 158 to 175 since the last OMB approval of this collection.

The following table shows the total burden of the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system’s “Information Collection Request Summary of Burden” for the metadata.

(or \$72.00/hour). Commission staff finds that the work done for this information collection is typically done by wage categories similar to those at FERC.

⁶ Based upon 2015 FTE average annual salary plus benefits (\$149,489.00).

⁷ Paperwork Reduction Act of 1995 (PRA).

⁸ The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA) for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemakings, and other changes to the collection.

FERC Form No. 6-Q	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	525	474	51	0
Annual Time Burden (Hours)	78,750	71,100	7,650	0
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. The data are used for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The Commission’s website displays the expiration date in the information portion of the FERC Form No. 6-Q’s web posting viewable here: <http://www.ferc.gov/docs-filing/forms.asp#6Q>. Additionally, the FERC Form No. 6-Q displays the expiration date in the upper right-hand corner of the first page.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.